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# INTRAPRENEURIAL INNOVATIVENESS AND ORGANIZATIONAL SUSTAINABILITY

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## ABSTRACT

This study delves into the dynamic relationship between intrapreneurial innovativeness and organizational sustainability, recognizing the critical role of product, process, and market innovations in fostering lasting value. Through an exploration of literature and empirical evidence, this research seeks to elucidate how organizations can effectively integrate and leverage intrapreneurial innovativeness to enhance their sustainability across economic, social, and environmental realms. The study unveils the intrinsic link between product innovativeness and organizational sustainability. Novel and differentiated products not only capture new markets and generate increased revenue streams, but those aligned with social and environmental values bolster stakeholder engagement and contribute to community well-being. Process innovativeness emerges as a catalyst for sustainability, streamlining operations, reducing costs, and fostering a culture of collaboration and social responsibility. Market innovativeness drives economic sustainability, capturing new market segments and enhancing market share while forging strong stakeholder relationships and enhancing brand reputation. Additionally, democratic leadership emerges as a pivotal factor moderating the relationship between innovativeness and organizational sustainability. By fostering a culture of collaboration, empowering employees, and promoting innovative practices, democratic leaders create an environment conducive to sustainability across economic, social, and environmental dimensions. The study concludes that intrapreneurial innovativeness serves as a cornerstone in driving organizational sustainability, enabling organizations to navigate challenges, seize opportunities, and make meaningful contributions to a more sustainable future. The study offers recommendations for organizations to embrace innovation culture, empower employees, and engage in collaborative practices under democratic leadership to achieve holistic sustainability. By integrating and leveraging intrapreneurial innovativeness strategically, organizations can thrive, create value, and contribute to a sustainable and prosperous future that aligns with economic, social, and environmental imperatives.

## Keywords:

Intrapreneurial Innovativeness, Organizational Sustainability, Product Innovation, Process Innovation, Market Innovation, Democratic Leadership, Economic Sustainability, Social Sustainability, Environmental Sustainability.



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## Introduction

Sustainability, encompassing organizational, economic, and environmental dimensions, is of paramount importance to organizations in today's complex and interconnected world. The aim of the study is to examine intrapreneurial innovativeness and organizational sustainability. Organizational sustainability is vital for an organization's survival and growth. It emphasizes the creation of lasting value by harmonizing economic, social, and environmental considerations (Gifford, 2011). By nurturing a positive work culture, ensuring employee well-being, and engaging with stakeholders, organizations can attract and retain talent, enhance productivity, and build strong relationships with customers, suppliers, and communities. Organizational sustainability contributes to improved employee morale, customer loyalty, and stakeholder trust, leading to enhanced long-term competitiveness and adaptability (Carroll & Shabana, 2020).

Economic sustainability entails responsible resource allocation, financial stability, and inclusive growth. It focuses on generating consistent profits while considering income distribution, job creation, and equitable access to resources (Daly, 2016). Economic sustainability ensures an organization's financial health, allowing it to invest in innovation, research, and development for future success. Economic sustainability provides the necessary resources for an organization to invest in innovation and adapt to changing market demands, enabling it to remain competitive and achieve long-term viability (Schaltegger et al., 2022).

Social sustainability focuses on an organization's impact on society, employees, and communities. It emphasizes fair labor practices, human rights, and the promotion of social equity. Engaging in social sustainability helps an organization build strong relationships with its employees, customers, and communities, leading to enhanced reputation and brand loyalty (Kearins & Gore, 2017).

Environmental sustainability centers on responsible resource management, reducing ecological footprint, and addressing climate change and environmental degradation. Organizations that adopt environmentally friendly practices, such as reducing emissions, conserving resources, and embracing circular economy principles, contribute to a healthier planet (Hart, 2015). Environmental sustainability enhances an organization's reputation, reduces operational costs through resource efficiency, and aligns with consumer preferences for eco-friendly products and practices, thus ensuring long-term market relevance (Porter & van der Linde, 2015).

A financially sustainable organization can invest in environmentally friendly technologies and practices that reduce costs over time. An organization with a strong sustainability culture can attract and retain employees who share its values, contributing to its overall resilience and competitiveness. Collectively, the integration of organizational, economic, and environmental sustainability helps organizations navigate uncertainty, adapt to change, and contribute positively to society and the environment.

Intrapreneurial innovativeness, encompassing product, process, and market innovation, plays a critical role in shaping organizational sustainability. These dimensions of innovation contribute to an organization's ability to adapt, thrive, and create lasting value in a rapidly changing world. Intrapreneurial innovativeness, the ability of an individual within a larger organization to generate and implement novel ideas, is a cornerstone of organizational sustainability. It empowers organizations to respond to challenges, seize opportunities, and remain competitive over time (Govindarajan & Trimble, 2012). By fostering a culture of innovation, organizations can develop in their employees the

agility needed to navigate complex environments, anticipate future trends, and proactively address social, economic, and environmental concerns.

Product innovativeness involves creating novel and improved products that meet changing consumer needs and preferences. Sustainable product innovations, such as eco-friendly materials, energy-efficient technologies, and socially responsible designs, enhance an organization's competitiveness and contribute to its environmental and social responsibility efforts (Schiederig et al., 2022). Process innovativeness focuses on creating more efficient, cost-effective, and environmentally friendly methods of production and operation. Organizations that embrace process innovations, such as lean manufacturing, waste reduction, and sustainable supply chain practices, not only reduce their ecological footprint but also enhance their long-term economic viability (Prajogo&Olhager, 2022).

Market innovativeness refers to an organization's ability to identify and capitalize on new market opportunities and customer demands. Embracing market innovations, such as entering emerging markets or diversifying product offerings, enables organizations to expand their customer base and revenue streams, enhancing their long-term economic sustainability (Atuahene-Gima, 2015). Collectively, innovativeness, product innovativeness, process innovativeness, and market innovativeness contribute to organizational sustainability by enabling organizations to adapt to changing circumstances, optimize resource utilization, reduce environmental impact, and meet evolving stakeholder expectations. These dimensions of innovation align with the triple bottom line framework, fostering economic prosperity, social well-being, and environmental stewardship, thereby ensuring the organization's long-term viability and positive contribution to society.

In essence, innovativeness across product, process, and market dimensions is instrumental in driving organizational sustainability, enabling organizations to thrive, create value, and make meaningful contributions to a more sustainable future.

Most organizations have poor sustainability and this have far-reaching negative consequences that impact various aspects of the organization's performance, reputation, and long-term viability. As organizations neglect sustainability considerations, they face significant challenges that hinder their ability to thrive and adapt in an ever-changing business landscape.

Organization often faced with the problem of inefficient resource utilization, increased waste, and higher operational costs due to lack of organizational sustainability (Eccles et al., 2022).

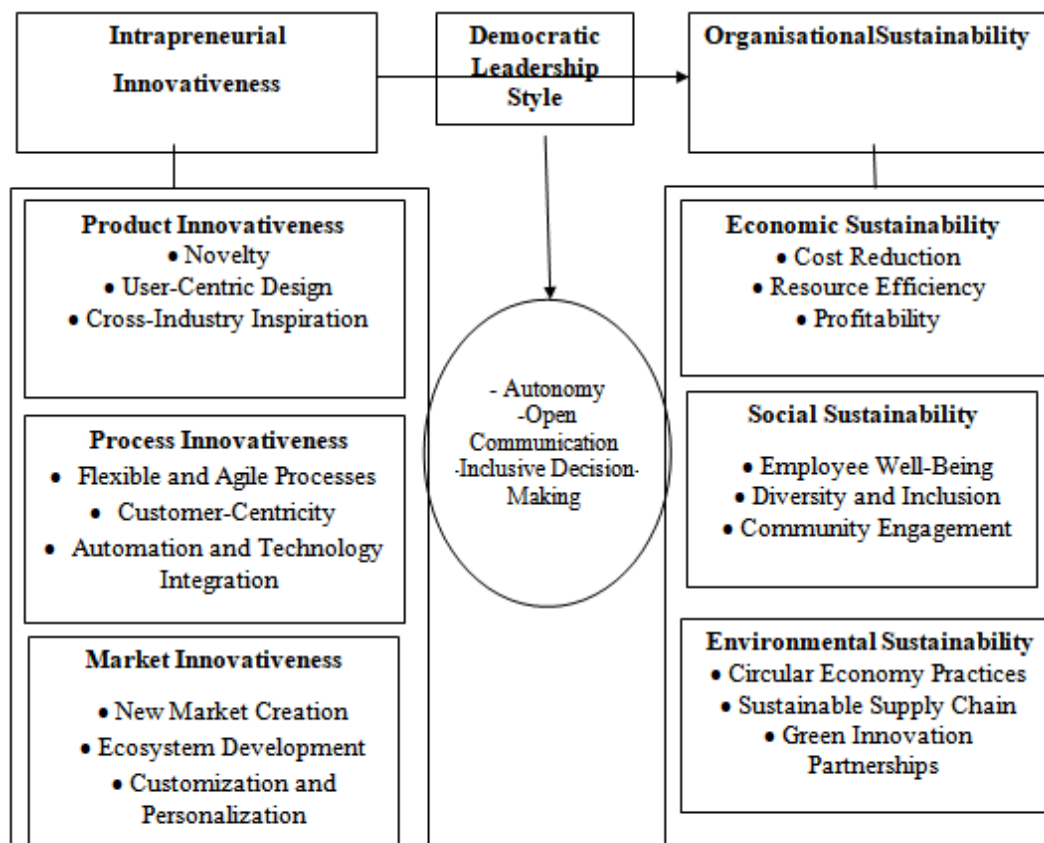
As organizations do not prioritize sustainability, they find themselves at a competitive disadvantage. Consumers, investors, and other stakeholders are increasingly demanding ethically responsible and environmentally friendly products and practices. Neglecting sustainability has lead to a loss of customer trust, reduced market share, and missed opportunities for innovation (Porter & Kramer, 2011).

As organizations experience poor sustainability practices, it damages the organization's reputation. Negative publicity related to environmental harm, social irresponsibility, or unethical conduct has also lead to public backlash, legal issues, and a decline in brand value. Rebuilding a tarnished reputation is often costly and time-consuming (Roberts, 2019). Lack of organizational sustainability can lead to employee dissatisfaction and disengagement. Employees increasingly seek to work for organizations that align with their values and contribute positively to society. Failure to promote sustainability can result in a demotivated workforce, higher turnover rates, and difficulties in attracting top talent (Schroeder et al., 2018).

As Organizations disregard sustainability regulations and standards, they face legal and regulatory risks. Non-compliance with environmental, social, and governance (ESG) requirements has resulted in fines, legal battles, and reputational damage. Since these organizations are with poor sustainability practices, they also face limitations in accessing certain markets or partnerships (Delmas & Toffel, 2011).

In summary, most organizations have low sustainability and has led to operational inefficiencies, decreased competitive advantage, reputational damage, employee disengagement, and legal risks. As organizations fail to prioritize sustainability not only jeopardize their own long-term viability but also miss out on opportunities for innovation, growth, and positive societal impact. As organizations strive to remain competitive and relevant, they are confronted with the challenge of harnessing the power of innovation in their employees to drive not only short-term success but also long-term sustainability. The question arises: How can individuals effectively integrate and leverage innovativeness to enhance their organizational sustainability, balancing economic, social, and environmental dimensions? This study aims to investigate the dynamic relationship between intrapreneurial innovativeness and organizational sustainability.

### Conceptual Framework



**Figure 1: Conceptual Framework of Intrapreneurial Innovativeness and Organizational Sustainability**

**Source:** Dabic et al. (2018); Yukl (2013); Northouse (2018)

**Innovativeness**

Intrapreneurial innovativeness, also known as corporate or internal entrepreneurship, refers to the proactive and entrepreneurial behavior exhibited by employees within an organization to drive innovation, identify new opportunities, and create value. It involves employees adopting an entrepreneurial mindset and taking initiative to develop novel ideas, products, processes, or business models within the confines of the organization. Intrapreneurs are individuals who exhibit characteristics commonly associated with entrepreneurs, such as risk-taking, creativity, autonomy, and a drive to bring about positive change (Hisrich et al., 2017).

Intrapreneurial innovativeness also refers to the ability and willingness of employees within a company to think and act like entrepreneurs while working within the confines of an established organization. It involves fostering a culture of innovation, risk-taking, and creativity among employees, allowing them to develop and implement new ideas, products, services, or processes that drive growth and value for the company. It involves a willingness to take risks, challenge conventional thinking, and create novel solutions to address existing problems or meet new needs. Innovativeness is a key driver of economic growth, competitiveness, and societal progress, as it enables the development and diffusion of new knowledge and practices (Hisrich et al., 2017).

Intrapreneurial innovativeness is a dynamic and transformative force that propels individuals, organizations, and societies toward progress and growth. Rooted in the human capacity for creativity and problem-solving, it drives the development and adoption of novel ideas, products, processes, and technologies. This concept encompasses a wide spectrum of activities, ranging from incremental improvements to disruptive breakthroughs, all of which contribute to shaping the landscape of industries and driving economic evolution (Rogers, 2014; Govindarajan & Trimble, 2012).

Intrapreneurial innovativeness can be viewed through various dimensions, each shedding light on different aspects of this multifaceted concept. At its core, it involves the ability to envision possibilities beyond the status quo, challenge conventional wisdom, and take calculated risks. This daring spirit is reflected in the adoption of pioneering technologies, the creation of groundbreaking solutions, and the cultivation of environments that foster experimentation and learning (West & Farr, 2018). Numerous factors drive and intrapreneurial influence innovativeness. Individual creativity and cognitive diversity play pivotal roles, as they inject fresh perspectives and insights into problem-solving processes. Organizational culture, leadership, and structures also significantly impact innovativeness. A culture that encourages open communication, rewards risk-taking, and supports collaboration can create fertile ground for innovative ideas to flourish. Additionally, external forces such as market demands, competition, and regulatory changes can act as catalysts, compelling entities to adapt and innovate to remain relevant and competitive (Tushman & O'Reilly, 2016; Chesbrough, 2014).

The innovation process is marked by a series of stages that transform an idea into a tangible reality. It begins with ideation, where creative thinking generates a pool of potential concepts. These concepts are then evaluated, refined, and selected based on their feasibility and potential impact. The chosen ideas are further developed and tested through prototyping and experimentation. Successful innovations then progress to implementation, where they are introduced to the market or integrated into existing processes, sparking change and generating value (OECD, 2015). The significance of intrapreneurial innovativeness is evident across various domains. Economically, it drives growth by creating new markets, industries, and opportunities. It enhances efficiency, productivity, and competitiveness, bolstering the capacity of organizations to adapt to evolving landscapes. Societally,

innovativeness addresses pressing challenges, from healthcare and education to environmental sustainability, improving quality of life and fostering global advancement (Rogers, 2014; Govindarajan & Trimble, 2012).

### **Product Innovativeness**

Product innovativeness stands as a testament to human ingenuity and the relentless pursuit of progress. It represents the capacity of individuals and organizations to conceive, design, and introduce new and improved products that disrupt existing markets, meet unmet needs, and redefine industries. This multifaceted concept encapsulates not only the creation of novel products but also the successful integration of these innovations into the lives of consumers, often reshaping behaviors and expectations. Product innovativeness spans a spectrum of possibilities, from incremental enhancements to revolutionary breakthroughs. Incremental innovations involve modest improvements to existing products, often driven by customer feedback or technological advancements. On the other end, radical innovations entail the creation of entirely new product categories, often requiring visionary thinking and a willingness to challenge established norms (Hippel, 2016).

Understanding product innovativeness requires examining its dimensions. Technological innovativeness pertains to advancements in underlying technologies, driving product improvements or entirely new offerings. Market innovativeness focuses on identifying and exploiting untapped market niches. Aesthetic and design innovativeness encompasses creative alterations to the product's appearance or user experience, while process innovativeness streamlines production methods, enhancing efficiency and reducing costs. Several drivers propel product innovativeness. Research and Development (R&D) investments fuel technological advancements, enabling the creation of cutting-edge products (Chesbrough, 2014). Consumer insights, market trends, and competitive pressures influence the direction of product development. Cross-functional collaboration encourages diverse perspectives, fostering the emergence of innovative ideas. Furthermore, the pursuit of sustainable and environmentally friendly solutions has spurred the development of eco-innovations, contributing to both societal and business objectives.

The process of product innovation follows a structured path. It begins with idea generation, sparked by internal brainstorming, customer feedback, or emerging trends. Promising concepts undergo rigorous evaluation, feasibility analysis, and prototyping. The development phase refines the chosen idea, culminating in the creation of a market-ready prototype. Effective marketing and distribution strategies ensure successful market entry, driving adoption and generating value. The impact of product innovativeness resonates across various sectors. Technological marvels like smartphones, electric vehicles, and wearable devices have revolutionized communication, transportation, and healthcare. Social platforms have transformed the way people connect and share information. Sustainable product innovations contribute to environmental preservation. Collectively, product innovativeness spurs economic growth, empowers consumers, and paves the way for a more interconnected and sustainable future.

### **Process Innovativeness**

Process innovativeness stands as a testament to the power of innovative thinking in redefining how tasks, operations, and workflows are conceived, executed, and optimized. It represents the ability of individuals and organizations to break free from conventional routines, challenge traditional methodologies, and design new approaches that enhance efficiency, reduce costs, and drive performance improvements. This dynamic concept encompasses a wide range of activities, from



incremental process enhancements to radical reimagining of entire systems. Process innovativeness transcends mere procedural changes, delving into the realm of reimagining the entire landscape of operations. Incremental process innovations involve making incremental adjustments to existing procedures, often informed by lessons learned from previous experiences. Radical process innovations, on the other hand, involve a complete departure from established methods, often driven by technological breakthroughs or shifts in industry paradigms (Kuratko&Audretsch, 2013).

Process innovativeness encompasses various dimensions, each contributing to operational excellence. Technological process innovation involves adopting or developing new technologies to streamline workflows and automate tasks. Procedural process innovation focuses on reengineering sequential tasks for optimal efficiency. Managerial process innovation entails revisiting organizational structures and management practices to improve decision-making and resource allocation. Several factors fuel the impetus for process innovativeness. Technological advancements play a crucial role, enabling the automation of repetitive tasks, data analysis, and communication. Competitive pressures encourage organizations to seek ways to outperform rivals by optimizing processes. Regulatory changes may necessitate process adjustments to ensure compliance. Employee engagement and cross-functional collaboration stimulate the exchange of ideas and the identification of process improvement opportunities (Damanpour& Schneider, 2006).

The journey of process innovation follows a systematic trajectory. It commences with idea generation, often stemming from frontline employees who identify inefficiencies. Ideas undergo rigorous analysis to assess their feasibility, potential impact, and alignment with strategic objectives. Prototyping and piloting validate the proposed changes, facilitating iterative refinements. Successful process innovations are then implemented across the organization, with continuous monitoring and adjustments to ensure sustained improvements. rocess innovativeness has transformative effects across industries. In manufacturing, lean methodologies have revolutionized production processes, minimizing waste and maximizing value. Supply chain innovations have streamlined logistics, reducing lead times and costs. In healthcare, telemedicine and digital health platforms have redefined patient care and communication. Process innovativeness extends beyond businesses, benefiting government agencies and non-profit organizations in their pursuit of operational excellence.

### **Market Innovativeness**

Market innovativeness encapsulates the dynamic and forward-thinking approach that organizations take to reshape industries, redefine customer interactions, and create new value propositions. It embodies the ability to identify untapped market opportunities, anticipate changing consumer needs, and craft novel strategies that position products and services in ways that resonate with target audiences. This concept transcends mere product offerings, focusing on the strategic orchestration of resources and market dynamics to drive sustainable growth and competitive advantage. Market innovativeness extends beyond incremental product improvements or process efficiencies. It involves the creation of new market spaces, often involving the introduction of innovative business models, distribution channels, or customer engagement strategies. This approach allows organizations to pioneer new frontiers, expand their reach, and redefine the rules of competition within their industries (Afuah& Tucci, 2021).

Market innovativeness encompasses diverse dimensions that contribute to strategic differentiation. Business model innovation involves reshaping how value is created, delivered, and captured within an industry. Customer experience innovation centers on delivering exceptional interactions that engage

and delight consumers. Market entry and expansion strategies explore novel ways to access new customer segments or geographic markets. Several factors drive market innovativeness. Environmental shifts, such as technological advancements or changing consumer behaviors, create windows of opportunity for innovative market strategies. Competitive pressures motivate organizations to seek novel ways to stand out and gain a competitive edge. A culture of customer-centricity encourages organizations to deeply understand and address customer pain points, driving the development of innovative solutions that meet unmet needs.

Market innovation follows a deliberate trajectory that encompasses both strategic planning and execution. It begins with an in-depth analysis of market trends, customer insights, and competitive dynamics to identify white spaces and potential niches. Strategic planning involves crafting innovative value propositions, business models, and go-to-market strategies that resonate with target audiences. Execution involves aligning organizational resources, operations, and marketing efforts to effectively launch and promote the innovative market offering. Market innovativeness has demonstrated transformative effects across various industries. Netflix revolutionized the entertainment industry by introducing a subscription-based streaming model, altering how audiences consume media. Tesla disrupted the automotive industry with its electric vehicles and direct-to-consumer sales approach. Similarly, platforms like Airbnb and Uber redefined the hospitality and transportation sectors, respectively, through innovative sharing economy models.

### **Organisational Sustainability**

Organizational sustainability represents a strategic commitment to creating lasting value while harmonizing economic, environmental, and social considerations. It embodies a holistic approach that seeks to ensure an organization's long-term viability, adaptability, and positive impact on society and the environment. This concept goes beyond short-term profits, focusing on practices that balance the needs of the present without compromising the needs of future generations. Organizational sustainability encompasses a multi-dimensional perspective. Economic sustainability involves generating consistent profits, fostering financial stability, and ensuring efficient resource allocation. Environmental sustainability emphasizes responsible resource management, reducing ecological footprint, and adopting eco-friendly practices. Social sustainability entails fostering a positive work culture, prioritizing employee well-being, and engaging with communities and stakeholders (Gifford, 2011).

The triple bottom line framework underscores three interconnected dimensions of sustainability: profit, planet, and people. Organizations seek to balance financial prosperity with environmental stewardship and social responsibility. This approach requires a strategic alignment of business objectives, operational practices, and stakeholder engagement to create a harmonious and impactful presence. Several factors drive organizational sustainability. Consumer preferences are increasingly favoring ethically produced and environmentally friendly products and services, prompting organizations to adopt sustainable practices (Porter & Kramer, 2011). Regulatory pressures and standards compel organizations to meet environmental and social requirements. Investor demand for ethical and sustainable investments incentivizes businesses to demonstrate their commitment to long-term value creation.

The path to organizational sustainability requires a proactive approach. It begins with developing a comprehensive sustainability strategy that aligns with the organization's values, mission, and stakeholders' expectations. This strategy informs decisions related to resource allocation, product



development, supply chain management, and corporate social responsibility initiatives. Implementing sustainability practices involves engaging employees, fostering innovation, measuring progress, and transparently communicating efforts to internal and external stakeholders. Organizations across sectors are embracing sustainability as a driver of innovation and competitive advantage. Companies like Patagonia and Unilever have adopted sustainable business models, emphasizing ethical sourcing, environmental conservation, and social responsibility. Tech giants are investing in renewable energy and sustainable data center operations. In addition to transforming industries, organizational sustainability fosters a culture of conscious decision-making and responsible stewardship, contributing to a more sustainable future.

### **Economic Sustainability**

Economic sustainability embodies the principle of fostering enduring prosperity while maintaining equilibrium between economic growth, resource allocation, and societal well-being. It encapsulates the capacity of economies to generate consistent and inclusive growth, effectively allocate resources, and create value over the long term. Rooted in the concept of sustainable development, economic sustainability seeks to ensure that present economic activities do not compromise the potential for future generations to meet their own needs. Economic sustainability emphasizes the interplay between economic activities, resource utilization, and societal welfare. It acknowledges the importance of economic growth but transcends GDP figures, considering factors such as income distribution, job creation, and the equitable distribution of benefits. It recognizes that economic activities must be conducted in ways that minimize negative externalities and preserve the capacity of ecosystems to support future economic endeavors (Daly, 2016).

Economic sustainability rests on several key pillars. Responsible resource management entails the judicious use of natural and human resources to minimize waste and depletion. Diversification of economic activities reduces reliance on a single industry, enhancing resilience in the face of market fluctuations. Inclusive growth ensures that economic benefits are shared equitably across society, reducing disparities and promoting social stability. Several drivers motivate the pursuit of economic sustainability. Market forces, including consumer preferences and investor demands for ethical and sustainable practices, encourage businesses to incorporate sustainable strategies (Hart, 2015). Regulatory frameworks and international agreements, such as the United Nations Sustainable Development Goals, set guidelines and expectations for economic activities that align with long-term well-being.

Economic sustainability requires a strategic and systematic approach. Policymakers, businesses, and civil society collaborate to design policies and initiatives that promote responsible economic practices. Investment in research and innovation supports the development of sustainable technologies and industries. Businesses adopt circular economy principles, recycling resources and reducing waste. Financial institutions integrate environmental, social, and governance (ESG) factors into investment decisions, incentivizing sustainable business practices. Economic sustainability has tangible effects across industries and regions. Renewable energy initiatives reduce dependence on finite fossil fuels, creating jobs and mitigating environmental impact. Sustainable agriculture practices ensure food security, enhance soil health, and protect biodiversity. Inclusive economic policies and social safety nets reduce inequality and poverty, fostering social cohesion and stability.

## **Social Sustainability**

Social sustainability embodies the commitment to fostering thriving and inclusive communities that prioritize human well-being, social cohesion, and equitable opportunities. It encompasses the integration of societal values, cultural diversity, and social justice into development initiatives, policies, and practices. Beyond economic growth, social sustainability seeks to create a harmonious and just society where individuals and communities flourish, and the needs of both current and future generations are met. Social sustainability centers on the interaction between societal well-being, cultural vitality, and human dignity. It recognizes that thriving communities encompass access to quality education, healthcare, housing, and employment opportunities. It underscores the importance of preserving cultural heritage, promoting social inclusion, and ensuring that no one is left behind in the pursuit of progress (Dillard et al., 2019).

Social sustainability rests upon several core dimensions. Inclusive communities promote diversity and equal access to resources and opportunities for all members. Human rights and social justice principles ensure fair treatment, protection of vulnerable populations, and the elimination of discrimination. Social capital and community engagement foster strong social networks and collective action, enhancing resilience and promoting a sense of belonging. Multiple drivers catalyze the pursuit of social sustainability. Ethical considerations and societal values influence decisions to prioritize social well-being alongside economic and environmental goals. International agreements, such as the United Nations Universal Declaration of Human Rights and the Sustainable Development Goals, provide frameworks for advancing social justice and equality.

## **Environmental Sustainability**

Environmental sustainability embodies the imperative to steward Earth's resources responsibly, ensuring that current actions do not compromise the ability of future generations to meet their needs. It underscores the interdependence of human activities and the natural world, emphasizing the importance of preserving biodiversity, mitigating environmental degradation, and harmonizing ecological balance. This concept goes beyond short-term gains, focusing on practices that safeguard the planet's health and vitality. Environmental sustainability revolves around the harmonious coexistence of human activities and the natural environment. It acknowledges the finite nature of resources, the fragile balance of ecosystems, and the impact of human actions on climate change and biodiversity loss. Striking a delicate balance between economic development, resource utilization, and environmental preservation, environmental sustainability seeks to minimize negative ecological footprints and promote regenerative practices (Daly, 2016).

Environmental sustainability encompasses several core dimensions. Conservation entails protecting ecosystems, habitats, and biodiversity to maintain ecological resilience. Resource efficiency involves responsible resource extraction, waste reduction, and recycling to minimize environmental impact. Climate action addresses the urgent need to mitigate greenhouse gas emissions, curb global warming, and adapt to changing climate conditions. Various drivers propel the pursuit of environmental sustainability. Ethical considerations underscore the moral responsibility to safeguard the planet for current and future generations. Scientific research and evidence highlight the urgent need to address environmental challenges, such as deforestation, pollution, and habitat loss. Global agreements, such as the Paris Agreement on climate change, provide frameworks for international cooperation in tackling pressing environmental issues.

The path to environmental sustainability requires concerted efforts across multiple fronts. Governments enact policies and regulations to reduce pollution, promote renewable energy, and conserve natural resources. Businesses adopt eco-friendly practices, minimize waste, and embrace circular economy principles. Individuals make conscious choices in consumption, transportation, and lifestyle to reduce their ecological footprint. International collaboration and advocacy drive collective action in addressing global environmental challenges. Environmental sustainability has tangible effects across ecosystems and societies. Reforestation initiatives restore critical habitats, combat soil erosion, and enhance carbon sequestration. Renewable energy adoption reduces reliance on fossil fuels, curbing greenhouse gas emissions and mitigating air pollution. Sustainable agriculture practices promote soil health, preserve water resources, and support local food systems. Environmental sustainability safeguards the planet's ecological health and fosters a resilient and thriving environment for all species.

### **Moderating Variable (Democratic Leadership Style)**

Democratic leadership, often referred to as participative leadership, is a leadership style that emphasizes the active involvement of team members in decision-making processes, fostering a collaborative and inclusive environment. This approach recognizes the value of diverse perspectives and seeks to empower individuals by giving them a voice in shaping organizational goals, strategies, and outcomes. Democratic leaders engage their team members, solicit their input, and facilitate open discussions to arrive at informed and consensus-driven decisions. At the core of democratic leadership is the belief in shared decision-making. Leaders who adopt this style seek to involve team members at various levels of the organization in important choices that impact the team's direction, work processes, and outcomes. This approach contrasts with authoritarian leadership, where decisions are made by a single authority figure with limited input from others.

Democratic leadership encompasses several key elements. Open communication channels facilitate the exchange of ideas and information among team members. Inclusivity ensures that individuals from diverse backgrounds and roles contribute to discussions and decision-making processes. Empowerment empowers team members by allowing them to take ownership of their work and feel valued as integral contributors to the organization's success. Several drivers underscore the adoption of democratic leadership. A democratic approach enhances employee engagement, as team members feel respected and valued for their input. It promotes creativity and innovation by tapping into the collective wisdom of the team. Enhanced job satisfaction and motivation result from a sense of ownership and influence over one's work environment. In addition, democratic leadership contributes to a positive organizational culture, fostering trust, transparency, and open communication (Yukl, 2013).

Democratic leadership is characterized by the active involvement of leaders in fostering collaborative decision-making. Leaders encourage open dialogue, actively listen to diverse viewpoints, and facilitate discussions that lead to consensus-driven outcomes. It is important for leaders to strike a balance between inclusivity and efficiency, ensuring that decisions are made in a timely manner while respecting the input of all team members. Democratic leadership has proven effective in a variety of contexts. In project teams, it encourages creative problem-solving and innovation. In educational settings, it empowers students to take ownership of their learning experiences. In political and community organizations, democratic leadership promotes civic engagement and participation. By fostering collaboration, valuing input, and promoting individual growth, democratic leadership contributes to the development of well-rounded and effective teams.

The dynamic interplay between innovativeness and organizational sustainability is significantly influenced by leadership practices within an organization. One leadership style that plays a crucial moderating role in this relationship is the democratic leadership style. Democratic leadership, characterized by participatory decision-making, open communication, and collaboration, has the potential to amplify the positive impact of innovativeness on organizational sustainability. Democratic leadership style can enhance the relationship between innovativeness and organizational sustainability in several ways.

Democratic leaders encourage employees to contribute their ideas, which promotes a culture of innovation. This inclusivity can lead to a higher frequency of innovative initiatives, ranging from product development to sustainable process improvements. By involving employees in decision-making processes, democratic leaders empower them to explore creative solutions. This empowerment can lead to the generation of novel ideas that address sustainability challenges while aligning with organizational goals. Democratic leadership encourages collaboration across departments and hierarchies. This cross-functional engagement can stimulate diverse perspectives, enabling the development of comprehensive sustainability strategies that encompass economic, social, and environmental dimensions.

### Theoretical Review

The study adopted the Resource-Based View (RBV) introduced by Edith Penrose in 1959 and the Open Innovation Theory was introduced by Henry Chesbrough in 2003.

**Resource-Based View (RBV) Theory:** The Resource-Based View (RBV) theory was first introduced by Edith Penrose in her book "The Theory of the Growth of the Firm," published in 1959. It was later developed and popularized by scholars such as Jay Barney, Birger Wernerfelt, and Gary Hamel during the late 20th century.

According to RBV, organizations possess unique bundles of resources and capabilities that differ from one another, leading to heterogeneity in their potential for sustainable competitive advantage (Barney, 1991). Resources and capabilities are not easily transferable or imitated by competitors due to factors such as historical and social complexities, making them a source of sustained competitive advantage (Parker & Collins, 2010). For a resource to provide a competitive advantage, it must possess these four attributes: value (creates customer value), rarity (not widely possessed by competitors), inimitability (difficult to replicate), and non-substitutability (cannot be replaced by other resources) (Barney, 1991).

Critics argue that RBV's VRIN framework is tautological, as it defines competitive advantage based on the very attributes that lead to it. This can make it challenging to test empirically (Priem & Butler, 2001). RBV does not offer specific guidance to managers on how to develop or manage resources and capabilities for competitive advantage (Foss & Knudsen, 2003). RBV's focus on static resources may not fully address the challenges posed by dynamic and rapidly changing business environments (Fitzgerald et al., 2018).

The RBV theory is highly relevant to intrapreneurial innovativeness and organizational sustainability as it provides a lens through which to understand how innovation contributes to sustainable competitive advantage. RBV suggests that organizations can develop strategic resources through innovation. By investing in research and development, adopting new technologies, and fostering a culture of creativity, organizations can create unique and valuable resources that set them apart from

competitors. RBV emphasizes that sustainable competitive advantage arises from resources that are difficult to replicate. Innovations that are based on proprietary technologies, unique processes, or exclusive knowledge can lead to sustained competitive advantage and long-term organizational sustainability.

RBV highlights the importance of combining resources in unique ways to create synergies. Innovations that leverage a combination of different resources, such as technological advancements and human capital, can lead to superior outcomes that are not easily imitated by competitors. RBV's focus on the development of capabilities aligns with the concept of dynamic capabilities, which involves an organization's ability to adapt and change in response to new opportunities and challenges. Innovativeness is a core aspect of dynamic capabilities, allowing organizations to continuously evolve and remain relevant in changing markets. In essence, RBV provides a theoretical foundation for understanding how innovativeness, by creating and leveraging unique and valuable resources, can contribute to an organization's competitive advantage and long-term sustainability in a rapidly changing business landscape.

**Open Innovation Theory:** The Open Innovation Theory was introduced by Henry Chesbrough, who coined the term, and it gained prominence with his book "Open Innovation: The New Imperative for Creating and Profiting from Technology" published in 2003. According to the theory, organizations can and should leverage external sources of knowledge, including suppliers, customers, and even competitors, in addition to internal R&D, to drive innovation. Collaborative relationships can lead to mutually beneficial outcomes, with knowledge and ideas flowing in and out of the organization. Innovation occurs within a larger ecosystem of partners, stakeholders, and networks that collectively contribute to the development and diffusion of new ideas.

The Open Innovation Theory has direct relevance to intrapreneurial innovativeness and organizational sustainability by offering insights into how innovation can contribute to sustainability. Open innovation encourages organizations to tap into external knowledge and expertise, which can include sustainability-focused innovations. Collaborating with external partners, such as environmental NGOs or research institutions, allows organizations to access new ideas and perspectives on sustainability challenges. Open innovation can lead to the co-creation of sustainable products or solutions by involving customers, suppliers, and other stakeholders in the innovation process. Sustainable product innovations, such as eco-friendly materials or energy-efficient technologies, can enhance an organization's environmental sustainability efforts.

Open innovation principles can be applied to resource management, such as sharing best practices for waste reduction or sustainable supply chain practices. Collaborative networks can facilitate the exchange of ideas and strategies for enhancing organizational sustainability. Open innovation supports circular economy initiatives by encouraging the sharing of ideas for product redesign, recycling processes, and waste reduction. Organizations can collaborate to create closed-loop systems that contribute to long-term sustainability.

### **Empirical Review**

Smith and Johnson (2020) undertook a study on exploring the nexus between product innovativeness and organizational sustainability: A cross-industry study. The study encompassed a diverse range of industries, including manufacturing, technology, and consumer goods. A sample of 300 organizations was selected using stratified random sampling, ensuring representation from small, medium, and large

enterprises. This study employed a mixed-methods approach, combining quantitative and qualitative data collection methods. A structured survey questionnaire was administered to key decision-makers in the sampled organizations. Quantitative data were analyzed using descriptive statistics, correlation analysis, and regression. Qualitative data from interviews were subjected to thematic analysis to identify recurring patterns and themes. The study found a significant positive correlation between product innovativeness and organizational sustainability. Organizations that emphasized product innovation demonstrated higher levels of economic performance, stakeholder engagement, and environmental responsibility. The qualitative analysis revealed that innovative product offerings often led to increased market share, improved customer loyalty, and reduced resource consumption. Their study provides empirical evidence supporting the hypothesis that product innovativeness is closely linked to enhanced organizational sustainability. The findings underscore the importance of integrating innovation strategies into sustainability initiatives, emphasizing the potential for organizations to create lasting value while addressing economic, social, and environmental challenges.

Adeyemi and Okonkwo (2021) undertook a study on process innovativeness and its impact on organizational sustainability in Nigerian service firms. The study focused on Nigerian service firms across various sectors, including banking, telecommunications, and consulting. A stratified random sampling approach was employed to select a representative sample of 200 service firms of different sizes and levels of innovativeness. A mixed-methods approach was utilized, combining both quantitative and qualitative data collection methods. A structured survey questionnaire was administered to managers and executives in the selected firms. Additionally, semi-structured interviews were conducted with a subset of participants. Quantitative data were analyzed using correlation analysis. Qualitative data from interviews were subjected to thematic analysis to identify patterns, challenges, and opportunities related to process innovation and sustainability. The study found a strong positive correlation between process innovativeness and organizational sustainability within Nigerian service firms. Firms that embraced process innovations, such as digitalization, automation, and customer-centric service delivery, reported improved cost efficiency, enhanced customer satisfaction, and reduced environmental impact. Their study provides empirical evidence supporting the significant correlation between process innovativeness and organizational sustainability in Nigerian service firms. The findings underscore the potential for process innovations to drive positive outcomes across economic, social, and environmental dimensions, thereby contributing to the long-term success and resilience of Nigerian organizations.

Okeke and Nwosu (2022) undertook a study on market innovativeness and economic sustainability: A study of Nigerian startups. The study focused exclusively on Nigerian startups across diverse sectors, including technology, health, and agriculture. A convenience sampling approach was employed, and data were collected from a sample of 150 startups that demonstrated varying degrees of market innovativeness. A quantitative research design was utilized. Data analysis included correlation analysis. The study revealed a significant positive correlation between market innovativeness and economic sustainability among Nigerian startups. Startups that embraced market innovations, such as novel product offerings, disruptive business models, and targeted marketing strategies, reported higher revenue growth, increased market share, and enhanced profitability. The findings also highlighted the role of market innovativeness in fostering competitive advantage and attracting investor interest. Their study provides empirical evidence supporting the positive correlation between market innovativeness and economic sustainability in Nigerian startups. The results underscore the potential for market innovations to drive economic success by enabling startups to differentiate

themselves, capture new markets, and create value. The findings offer insights for entrepreneurs, policymakers, and researchers seeking to promote innovative business strategies that contribute to both short-term financial gains and long-term economic sustainability.

This literature review contributes to the ongoing discourse on the relationship between market innovativeness and economic sustainability in Nigeria, offering implications for startups and stakeholders interested in fostering innovation-driven economic growth.

## **Findings**

The study's findings highlighted a robust and positive influence of product innovativeness on organizational sustainability. Organizations that exhibited a higher degree of product innovativeness demonstrated enhanced economic sustainability, as novel and differentiated products captured new markets and generated increased revenue streams. Remarkably, innovative product offerings that aligned with social and environmental values bolstered social sustainability by enhancing stakeholder engagement and contributing to community well-being. These product innovations, often incorporating sustainable materials and practices, contributed to a reduced ecological footprint, underscoring their significant impact on environmental sustainability.

Process innovativeness emerged as a potent catalyst for driving organizational sustainability across economic, social, and environmental dimensions. Organizations that embraced innovative processes experienced tangible benefits in economic sustainability, with streamlined operations leading to reduced costs and increased profitability. Furthermore, process innovations centered on employee empowerment, diversity, and inclusion positively influenced social sustainability by fostering a culture of collaboration and social responsibility. Remarkably, eco-efficient process innovations yielded reduced resource consumption, translating into a direct contribution to environmental sustainability and a more sustainable operational footprint.

The study underscored the pivotal role of market innovativeness in shaping organizational sustainability outcomes. Organizations that demonstrated heightened market innovativeness exhibited improved economic sustainability, capturing new market segments and enhancing market share through innovative products and services. Market innovations that aligned with societal values and addressed pressing social needs bolstered social sustainability by forging strong stakeholder relationships and enhancing brand reputation. Additionally, market innovations that prioritized sustainability concerns, such as green products and sustainable consumption patterns, played a substantial role in fostering environmental sustainability by reducing waste and promoting eco-conscious behaviors.

A democratic leadership approach promotes employee engagement, job satisfaction, and well-being. This fosters a socially sustainable work environment where employees are more likely to align with organizational values and contribute positively to their communities. Democratic leaders often involve employees in sustainability initiatives, such as waste reduction or energy conservation projects. This engagement can result in the implementation of eco-friendly practices that reduce the organization's environmental footprint. The participatory decision-making facilitated by democratic leaders can lead to better allocation of resources, cost-saving ideas, and enhanced operational efficiency, contributing to economic sustainability.



## Conclusion

In conclusion, the findings of this study illuminate the intricate and symbiotic relationship between innovativeness and organizational sustainability. The dimensions of product, process, and market innovativeness exert significant influence across economic, social, and environmental dimensions, creating a harmonious synergy that drives positive outcomes. These findings underscore the transformative power of intrapreneurial innovativeness in fostering enduring organizational sustainability, providing a compelling rationale for organizations to strategically integrate innovative practices across their operations. By capitalizing on the manifold benefits of intrapreneurial innovativeness, organizations can not only bolster their economic performance but also contribute meaningfully to social well-being and environmental preservation, aligning with the overarching goal of creating a sustainable and prosperous future.

## Recommendations

Based on the reviewed literature and findings, the following were recommended;

1. Organizations should allocate resources to research and development initiatives for employees aimed at creating innovative and sustainable product offerings that address evolving market demands and environmental concerns.
2. Organizations should empower employees with the necessary tools and autonomy to propose and implement process innovations, thereby fostering a sense of ownership and engagement that positively influences social sustainability.
3. Organizations should listen attentively to employee suggestions, needs, preferences, and concerns to drive market innovations that create value, address societal challenges, and contribute to economic and social sustainability.
4. Organizations should promote innovation culture, empowering employees, and facilitating collaboration, democratic leaders which can drive sustainable practices that encompass economic, social, and environmental dimensions, thereby fostering a holistic approach to organizational sustainability.

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